



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA

PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080

(916) 322-2270 • FAX (916) 324-3984

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SEN. GEORGE RUNNER (RET.)
Second District, Lancaster

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

KRISTINE CAZADD
Executive Director

STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
January 31-February 2, 2012

PRELIMINARY RECORD OF BOARD ACTIONS

Tuesday, January 31, 2012

The following is a preliminary record of Board actions taken at the January 31-February 2, 2011 Culver City Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

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Board Meeting

- A. Homeowner and Renter Property Tax Assistance Hearings
There are no items for this matter.
- B. **Corporate Franchise and Personal Income Tax Hearings**
These items are scheduled for Thursday, February 2, 2012.

C. Sales and Use Tax Appeals Hearings**C1. Fidelity Asset Management, Inc., 358657 (OH)**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's claim denied.	Mr. Horton	Yes
	Ms. Steel	No
	Mr. Runner	No
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C2. Frangi's Restaurant, Inc., 433581 (AS)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C3. Vladimir Rodzai, 461627 (AS)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition granted.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C4a. Vincent Millhouse, 434901, 450539 (AS)**C4b. Vincent Millhouse and Lisa Denise Smith, 434902 (AS)**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petitions partially granted/denied. The Board directed staff to inform the taxpayer of the Offers in Compromise program.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C5. East Coast Foods, Inc., 444779 (AS)~~

~~C6. Sunburst Maintenance Co., Inc., 421808 (AP)~~

C7. Glenn Alan Olson and Sheila Olson, 475832 (KH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
Department allowed time to investigate partnership status.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C8. Charlie Lee, 497366, 572712 (AS) - Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
Approved staff recommendation.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C9. Team Post-Op, Inc., 447342, 448811(EA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	No
	Mr. Runner	No
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C10. Carlos Martin Escobar, 473069 (EH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
The Board directed staff to inform the taxpayer of the Offers in Compromise program.	Ms. Steel	No
	Mr. Runner	No
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C11. TJ's Metal Mfg., Inc., 469958 (AA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C12. D and L Wireless, Inc., 535814 (EA)~~~~C13. Kamal Noorzady, 509930 (EH)~~

C14. Brandi R. Paris, 423064, 491278 (EA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition and claim denied.	Mr. Horton	Yes
	Ms. Steel	No
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C15. Zoba International Corp., 434591 (EH)~~

C16. Mohammad Honarkar, 482560 (EA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied. The Board directed staff to inform the taxpayer of the Offers in Compromise program.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C17. Jeff Block, 447296 (EH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

D. Special Taxes Appeals Hearings

These items are scheduled for Wednesday, February 1, 2012.

There are no items for the following matters:

- E. Property Tax Appeals Hearings
- F. Public Hearings

G. Tax Program Nonappearance Matters – Consent

G1. Legal Appeals Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
No final determination on sub-items 2, 3 and 8.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Hearing Notices Sent – No Response
 1. Stromberg Tanks International, 489648 (FH)
 2. ~~Karlen Antonyan, 472389 (AC)~~
 3. ~~Jeffrey R. Marshall, 466197 (AS)~~
 4. C.D.H.S. Group, Inc., 506013 (EA)
 5. Ana Patricia Cambara, 522216 (EA)
 6. Tres Hermanos, Inc., 483570 (AA)
 7. Revolution Supply Co., Inc., 470538 (EA)
 8. ~~Phillip C. Strickland, 480561 (UT)~~
 9. HPTV, Inc., 512899 (EA)
 10. Ramiro Romero Garcia, 520564 (EA)
 11. Carl Marantz and Nelly Marantz, 472797 (EA)

G2. Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Decisions
 1. Debrah Barnett, 553219
 2. Brian K. Bates, 512076
 3. Sasha Esposito, 519276
 4. Victor L. Hall and Judith N. Okolie Hall, 534748
 5. Eufrancio L. Tugaff, 539300
- Petitions for Rehearing
 6. Michael Aidan, 522049
 - 7a. Eric B. Davis, 496009
 - 7b. Mary E. Davis, 512638

- G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.

G4. Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Redeterminations
 1. Ralphs Grocery Company, 510404 (AA)
 2. Accurel Systems Intl. Corp., 509979 (GH)
 3. Warren E. Munday, 442766 (AC)
 4. Rubbermaid Incorporated, 562925 (OH)
- Relief of Penalty
 5. Nextel Systems Corp., 595141 (OH)
- Denial of Claim for Refund
 6. Ally Financial, Inc., 492605 (OH)

G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes, except not participating in sub-item 10.

- Refunds
 1. Queen Beach Printers, Inc., 531309 (EA)
 2. Chevron U.S.A., Inc., 559356 (BH)
 3. Chevron U.S.A., Inc., 535862 (BH)
 4. Jamac Steel, Inc., 569321 (EH)
 5. BMW of North America, 594792 (OH)
 6. Ally Financial, Inc., 492605 (OH)
 7. A-L Financial Corp., 578287 (EA)
 8. Sun Community Federal Credit Union, 505010 (FH)
 9. Conagra Foods Pkgd. Foods Co., Inc., 571331 (OH)
 10. Barclays Global Investors, NA, 561481 (BH)
 11. AMC Mortgage Services, Inc., 588286 (EA)
 12. Alexander Bouzari, 578643 (AS)

There are no items for the following matters:

- G6. Special Taxes Matters
- G7. Special Taxes Matters – Credits, Cancellations, and Refunds
- G8. Property Tax Matters
- G9. Cigarette License Fee Matters
- G10. Legal Appeals Property Tax Matters

There are no items for the following matters:

- H. Tax Program Nonappearance Matters – Adjudicatory
- I. Tax Program Nonappearance Matters

Chief Counsel Matters

There are no items for the following matters:

- J. Rulemaking
- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

Administrative Session

- N. Consent Agenda
- There are no items for this matter:

These items are scheduled for Thursday, February 2, 2012:

- O. Adoption of Board Committee Reports and Approval of Committee Actions
- P. Other Administrative Matters

Q. Closed Session



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Executive Director**STATE BOARD OF EQUALIZATION MEETING**
5901 Green Valley Circle, Room 207, Culver City
January 31-February 2, 2012**PRELIMINARY RECORD OF BOARD ACTIONS****Wednesday, February 1, 2012**

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Board Meeting**C. Sales and Use Tax Appeals Hearings**

C18. John A. Bart, 462215 (EH) – Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
Approved staff recommendation.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C19. America Wood Finishes, Inc., 460325 (AA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C20a. Timothy O. Finnerty, 417833 (EH) - Waived Appearance

C20b. Timothy O. Finnerty and 21st Century Oil-Front Company, 417777 (EH) - Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition and claim denied. Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C21. William Blaine Riggle, 417558, 417559 (FH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied. The Board directed staff to inform the taxpayer of the Offers in Compromise program.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C22. Massoud Khazaie, 459689 (AR)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C23. Nnadi Linus Udengwu, 515515 (AP)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Mr. Horton	Yes
The Board directed staff to conduct a reaudit.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C24. Kimberly Shena Grigsby, 442731 (UT)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
The Board directed staff to inform the taxpayer of the Offers in Compromise program.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C25. Russell Guerard West, 489130 (UT)~~~~C26. Deanna Robinson Interiors, Inc., 519485 (EA)~~

C27. Tho Phuoc Pham, 509278 (AP)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C28. DK Supplies, Inc., 509933 (EA)~~

C29. Marcelo Co, 485816 (EH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C30. Max Express, Inc., 464061 (AA)~~

C31. Thomas L. White, 476399 (AS)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

D. Special Taxes Appeals Hearings

D1. Eric Anthony Guidice, 380212 (ET)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. Deferred to a later date.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

D2. Malvinder Sonny Matharu, 515190 (MT)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. The Board ordered that the petition be submitted for decision, granting the petitioner 30 days to file supporting documents, the Department 30 days to respond, and the Appeals Division 30 days thereafter to review the parties' submissions and provide its recommendation to the Board.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes



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Board Meeting**Special Presentations**

2010/2011 Employee Recognition Award Program

Administrative Session**O. Adoption of Board Committee Report and Approval of Committee Actions**

O1. Legislative Committee – January 11, 2012

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein. For details see: http://www.boe.ca.gov/legdiv/legmeetings12.htm	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

P. Other Administrative Matters**P1. Executive Director's Report**

1. CROS Project Update and Actions

P2. Chief Counsel Report

There are no items for this matter.

P3. Sales and Use Tax Deputy Director's Report

1. Discussion of Qualified Purchaser Program Procedures

There are no items for the following matters:

P4. Property and Special Taxes Deputy Director's Report**P5. Administration Deputy Director's Report****P6. Technology Deputy Director's Report****P7. External Affairs Deputy Director's Report****B. Corporate Franchise and Personal Income Tax Hearings**

- B1. Comcast Cablevision Corporation of California, Taxpayer, and Comcon Production Services I, Inc., Assumer, 424198

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied on issue 1.	Mr. Horton	Yes
	Ms. Steel	No
	Mr. Runner	No
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes
<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied on issue 2.	Mr. Horton	Yes
	Ms. Steel	No
	Mr. Runner	No
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes
<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied on issue 3.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal granted on issue 4.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	No
	Mr. Chiang/ Ms. Mandel	Yes

~~B2. Thomas E. Rubin, 461570~~

B3. Leo R. Boese, 547667

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. The Board ordered that the appeal be submitted for decision, granting the appellant 30 days to submit supporting documents, the Franchise Tax Board 30 days to respond, and the Appeals Division 30 days thereafter to review the parties' submissions and provide its recommendation to the Board.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B4. Donald L. Maxted and Jan E. Maxted, 558105

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal granted.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	No
	Mr. Chiang/ Ms. Mandel	Yes

~~B5. Reginald D. Davis and Rebecca J. Joslin-Davis, 534788~~

~~B6. Wilson Montevilla, 550849~~

~~B7. Shirley A. Tolela, 522393~~

B8. Citation Development Company, 567630

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton	Yes
	Ms. Steel	No
	Mr. Runner	No
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~B9. Michael Zapara and Gina Zapara, 252128~~

~~B10. Applied Companies, 526527~~

~~B11. Richard H. Levin and Linda D. Levin, 571155~~